

20

Tony Fordyce

From: "Tony Fordyce" <t_fordyce@imk.co.jp>
 To: "mfsc" <mfsc@aiaa.gr>
 Sent: Thursday, 25 July 2002 5:20 PM
 Attach: 2001opex.xls; Inspection schedules.xls
 Subject: General

Babis/Tony

Thanks for your messages, which have discussed with Saburo. We can reply as follows:

1. Economou situation

This came as quite a surprise to Keymax. However, they are prepared to carry on with our various discussions on the understanding that you will be able to assist them if there are any problems with Economou. In any case, they will not talk to him directly, since they do not have any official relationship with Cardiff. I have told them that I will do my best, with your help if necessary, to maintain the current situation.

2. Pegasus commission on the 3 Ocean Trade vessels

One point they have made, however, is that since you are now no longer involved in ownership of these vessels, there is no reason to pay part of their management fee to Pegasus, so they are proposing that this be terminated. They have pointed out that you will be involved in the management of maybe 8 or 9 other vessels with both management and charter commissions, and feel that this will be very ample compensation. They are also slightly concerned that if Economou were to find out about these payments the situation could be extremely awkward.

3. Sharrow Bay

I have asked the Sellers if they could agree to an MOA price of US\$5.75 mill, with the excess repaid at the time of closing (I presume that you will pay the full amount - or will you only pay the actual purchase price??), and am waiting their reply. After a bit of background checking, it seems that since the vessel is singledeck in one hold and tween in the other (although without tween deck hatch covers), her loading options are a bit limited. Anyway, I am checking if the current period charterers would be interested to extend the charter, in which case it would be easier for Keymax to take the vessel on charter on a back-to-back basis. If so, and assuming the rate is reasonable, then I think that Keymax could do US\$3,300 daily for 3 years with 50/50 profit-sharing. If not, then they will have to look around for alternative employment. If Sharrow Bay doesn't work out, we should be able to find alternative tonnage.

4. Aldebaran

Await your news of developments with SSY. Meantime I have asked Keymax for opex.

5. Schedules for inspection

Please see attached.

6. Opex budgets and actual expenses

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05/24/2004

Please see summary of costs for 2001 for

7. Chip carrier

This has gone a bit quiet from the Owners' side. Will let you know as soon as there is any further news. Meantime we are actively looking for other vessels as additions or replacements.

8. Collateral accounts

We are in full agreement and are working on this.

9. Ocean Ellie financing

We are also pushing this and will let you know as soon as there are any figures.

Regards

Fw: General

Subject: Fw: General
 Date: Fri, 26 Jul 2002 10:36:10 +0900
 From: "Tony Fordyce" <t.fordyce@imk.co.jp>
 To: "Saburo Iwai" <s_iwai@imk.co.jp>

>From Babis (my message to him yesterday is below):

Sent: Thursday, July 25, 2002 6:50 PM
 Subject: RE: General

> Tony/Babis
 >
 > Thanks for your mail, to which I can reply as follows:
 >
 > 1. As Keymax correctly points out it has no direct relationship with
 > Cardiff
 > and it is important for them to maintain this to collect their
 > outstandings. The reason
 > for this advantageous setup is my good work and foresight to keep the
 > agreement
 > signed with Ocean Trade out of the hands of Cardiff. Thus there will be no
 > problems in maintaining the current situation.
 >
 > 2. Since the agreements signed between Pegasus and Keymax are ongoing
 > in nature and the benefits incurred by Keymax as explained in 1 above are
 > substantial (because I hold the Keymax-Ocean Trade agreement in my hands
 > only) it is fair, legal and beneficial for Keymax to maintain the current
 > situation. I don't have other source of income until the other deals close
 > and
 > beyond the imminent closing it is an important principal that if I put a
 > deal
 > together, I continue receiving fees irrespectively of ownership. If in the
 > future I sell some of the new vessels to new investors and Keymax
 > continues
 > receiving fees why I shouldn't receive fees? Anyway for the next 2 months
 > I
 > can Tony \$2,000 from these fees to make up for his lack of income from IPL
 > If
 > Pegasus fees are reduced I can't do that. There should be no risk of
 > Economou
 > finding out since there was the same risk before and there is higher risk
 > if he finds
 > out about the Keymax-OT agreement. In conclusion I am not willing to
 > change
 > the current fees structure.
 >
 > Of course if Keymax's situation becomes worse after Economou's
 > involvement, I
 > will agree to reduce or eliminata my commission in order to compensate
 > them.
 >
 > 3. Sharrow Bay.
 > I guess first you/Keymax should find out about the current charterers, as
 > you suggest.
 > to see if Keymax will be interested in a 3 years charter.
 > We will pay in cash the MOA price at the closing but have a mechanism in
 > place
 > to securely get the address commission back immediately. Since I can get
 > \$5.75m valuation I would like same MOA price or, maybe, \$5.5m minimum.
 >
 > 4. Aldebaran
 > I am awaiting SSY news and your opax. Can you please advise?
 >
 > 5-9 Noted and awaiting your news,
 >
 > —Original Message—
 > From: Tony Fordyce [mailto:t.fordyce@imk.co.jp]
 > Sent: Thursday, July 25, 2002 11:20 AM
 > To: mfsc
 > Subject: General
 >

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Fw: General

>
 > Babis/Tony
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 as
 > follows:
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 > the vessel on charter on a back-to-back basis. If so, and assuming the
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 > is reasonable, then I think that Keymax could do US\$3,300 daily for 3
 years
 > with 50/50 profit-sharing. If not, then they will have to look around for
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 > Await your news of developments with SSY. Meantime I have asked Keymax for
 > opex.
 >
 > 5. Schedules for inspection
 > Please see attached.
 >
 > 6. Opex budgets and actual expenses
 > Please see summary of costs for 2001 for all vessels except O.Daisy (which
 is
 > managed in HK). This should give you a good idea of budget against actual
 expenses.
 >
 > 7. Chip carrier
 > This has gone a bit quiet from the Owners' side. Will let you know as soon
 > as there is any further news. Meantime we are actively looking for other
 > vessels as additions or replacements.
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 > We are also pushing this and will let you know as soon as there are any
 > figures.
 >
 > Regards
 >

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Tony Fordyce

From: "Tony Fordyce" <t_fordyce@imk.co.jp>
To: "Babis Zlogas (mfsexchange)" <babis@mfsexchange.com>
Sent: Tuesday, December 11, 2001 5:37 PM
Attach: OT Keymax Master Agreement.doc; OT IPL Master Agreement.doc
Subject: Keymax/IPL agreements

Babis/Tony

Thanks your comments, which I am discussing here. Unfortunately Kayahara-san has been in meetings with NYK all day today, so I couldn't see him. Will try to give you some fuller comments tomorrow. Meantime, I have divided the agreements into separate agreements between OT and Keymax and OT and IPL. I have not yet discussed these with the parties here, but would appreciate your comments anyway.

There are still some things to be sorted out, such as the way of paying for the docking costs, the exact figures for Outstanding Debts, the 4th vessel for the purchase option, and the management costs - Saburo will be in the office tomorrow afternoon, so I should be able to get the figures for you then. I have also noted that your calculation assumes 24 months remaining for the Kowhai charter, when this is only 17 or 18.

It seems almost certain that we will not be able to have the agreements starting this month, since both IPL and Keymax feel that it will take a bit more time to get everything sorted out (although we might be able to reach agreement in principle?).

One thing we have not discussed so far is commission on the charters.

SSY will presumably want some commission on the charters, and so will I. At present I receive 1.25 % on the BB hire and SSY receive 0.5% on Kowhai and 1.25% on the other 2 vessels. If we make this up to 1.5% total on the time-charter hires for "Ocean Reyna" and "Ocean Leo" and 1% on the "Kowhai", it will give roughly the equivalent income (bearing in mind that the 1/c hire for "Kowhai" will almost certainly fall next year.

Of course, if you can negotiate with SSY to reduce or eliminate their commission, the figures can be amended.

Regards

Tony Fordyce

From: "MFSC" <mfsc@alias.gr>
 To: <t_fordyce@imk.co.jp>
 Sent: Thursday, 11 July 2002 5:44 AM
 Subject: July payments revision/Ocean trade update

Tony/Babis

I had a long meeting with Ioannidis today. Here are the highlights:

1. I don't think that they want any rate reductions from the current rates of the Reyna and the Leo. The advantages of the direct charter are not there vs the reduced rates. I guess this is good for you and me since by continuing having control on the income we collect our commissions and Keymax its outstandings. For you especially since you will continue receiving the \$3,800 monthly commission.
2. They accepted the commission structure including the MFSC comm of 0.5% from June (see adjustment below) and your commission.
3. They accepted the agreed Keymax payments and repayment schedule
4. If Economou requests for a written agreement reflecting the above I promised I will work to produce one within 30 days.
5. From my side I remain shareholder of 50% so I can veto any unreasonable actions of Economou and as a broker as well. If you guys are happy with these arrangements I personally prefer to use my investors money for new business (new business for you all as well) which are generally better than refinancing Economou and Allfirst. Of course if Economou is realistic seller with the Allfirst finance I can do this deal as well but for now he says that he is not selling for the offered price.
6. An area that we can reduce opax is reducing the insured values. Can you check to find out savings if Kowhai is insured for \$6m, Reyna for \$4m and Leo for \$6m?
7. Ioannidis is pressing for prompt payments on the due days. We can be prepared in advance next month

—Original Message—

From: MFSC [mailto:mfsc@alias.gr]
 Sent: Monday, July 08, 2002 11:24 PM
 To: 't_fordyce@imk.co.jp'
 Subject: July payments

超概算です。
 $KO^{15} 6M \times 0.60219\% = \$36.13 / 4438$
 $RE^{8.1} 4M \times 0.70983\% = \$28.393 / 31719$
 $LO^{16.3} 6M \times 0.64794\% = \$38.876 / 44181$

Tony/Babis

Re July payments approximate funds reconciliation is as follows:

Vessel	T/C hire	Shipmanagement fund	Net
Kowhai	\$147,000	88,000	59,000
Reyna	132,000	61,000	71,000
Leo	182,000	65,000	117,000
			<u>\$247,000</u>

Reduction of Keymax running balance	(18,000)
Keymax monthly outstanding debt reduction	(28,000)
IPL July payment	(20,000)
Comm to IPL 3%	(13,830)
Comm to Alpha/Mitsui 1 1/4%	(5,760)
Comm 1 1/4% bb Forward	(3,800)
Comm 0.5% for Kowhai, Leo, Reyna	
June/July MFSC	(4,610)
	<u></u>

Get \$2.1m
 Get \$2.1m
 95
 1.3 upfront
 800 over 3 yrs
 900,000 total
 900,000 repay

07/11/2002

(\$94,000)

To be transferred to Ocean Trade as follows the total amount of \$153,000 :
Reyna \$52,500 Kowhal \$47,500 Leo \$53,000

Pegasus should receive \$10,000 from the IPL payment, \$4,500 from Keymax management fee , \$2,305 from the 3% comm of IPL and the June/July comm of 0.5% for \$4,610 for a total of \$21,415

Let me know if this is ok

Best regards

Tony Fordyce

From: "mfsc" <mfsc@aias.gr>
 To: <t_fordyce@lmk.co.jp>
 Sent: Saturday, 20 April 2002 11:26 PM
 Subject: Various

Tony/Babis

Unfortunately, maybe because we are dealing with many things, we are only making slow progress I am afraid maybe because of lack of focus not by your side and my side but mainly from IPL.

So please let's number the outstanding things to do and keep the same numbering system until we finish them.

1. Signed documents (Keymax/Ocean Trade)

I have still not received in my Piraeus office the signed documents. Can you send me air-bill number or it was send regular mail? *DEME*

2. Class records, survey reports of 3 OT vessels.
 When will they be sent? *✓*

3. Keymax Agreement

Can we amend this so as to stretch repayment of the outstandings from July 1st for 60 equal payments or until sale/termination of management agreement? You previously advised that Keymax could consider this, so please confirm. *confirm*

4. All vessels

We are dealing with the 3 OT vessels, the 6 option vessels plus 2 more S. Odyssey sisters (please advise the names) and the 4 (maybe only 2?) additional Keymax vessels. Ideally, we can take delivery of all these vessels with us being responsible for arranging bank finance or with us becoming bareboat-Charterers and having purchase options for the outstanding debt and a purchase obligation at the end.

Please help me to develop a 15 vessels' operational/technical term sheets and a full data base for all these vessels which will include: opex, DD/SS positions, class records, recent surveys with pictures, main details of the time charters and copies of charter parties and loan agreements with translations. I know it is a lot and I want it in digital form. However, if we finish it once then we do not have to do it again.

5. Schedule

Decide on which vessels we can do over the next 4 months (May-August) and which ones over the last 4 months of the year.

Decide which ones we can do with BBHP and which ones we need to purchase with our own bank finance. You have to tell me this because the existing Japanese financing is generally better than the alternative western financing and we can pay better cash to Keymax when we use Japanese finance than if we take on our own bank debt. As I understand it now, we will buy for cash O. Sampaguita, S. Odyssey and her sisters, and O. Daisy. *97*

You mention it may be possible to do BBHP on these vessels as well. Please explain. Of course we would be interested in BBHP but still we will have operations with Keymax and we will need time-charter. Then we should go on a vessel-by-vessel basis and write the basic terms of the deal, to see if we agree, taking into consideration

the option agreements and the discussions with Saburo. You can start preparing 12 deal term sheets even on a rough form and I can complete them.

6. Period charters

We wish to have time-charter on all vessels at least for 3 years. You know better the Charterers and we can develop again 15 time-charter term sheets to summarise the terms of the current time-charters. Either we buy with our bank finance or existing banks debt wrapped to BBHP; we have the same debt obligation and Keymax wishes to see that there is a steady income to pay their opex. We need to go for best time-charter coverage. We have done some discussions for Sampaguita, S. Odyssey and sisters, Harmony/Phoenix, and Mermaid Dream. Please summarize everything discussed or tentatively possible on these 12 term sheets. ✓

7. Kowhai

2 years time charter. Awaiting Charterers' best. ✓

8. Ocean Reyna, Ocean Leo

I understand that IPL will do their best to get our proposed terms but that there is no guarantee. In some points they may get it and some others they may not. It is important to try hard this week before Economou comes to Tokyo on May 7-10 and we can then show him that the deal has been done. Otherwise we will never finish. For me it is more important to get cleans deal with long duration charters than to worry about a few extra dollars in the first year. Please notice that we have firm deals with min/max rates for many years and we need to live with these Charterers for many years, so I need to review all terms of final agreement before our final approval. Of course IPL can fix something close to what we asked. TIME IS OF THE ESSENCE; we must move very quickly now.

9. Commissions

If you are happy with what Iwai is offering you we can proceed.

a) I agree to 2.5% commission on 5 vessels with a time charter income not exceeding \$630/day. Since it is impossible to have higher commission than that without making it too obvious, and MFSC needs 0.5%, the only solution I can see is that we must apply 2.5% commission over 7 vessels (adding O. Sampaguita and S. Odyssey) and paying out of such commission 0.5% to MFSC i.e. IPL makes 2% on income of \$31,500- which is \$630/day. These are all ex-IPL vessels so it makes sense to add commission.

b) As discussed when I was in Tokyo, MFSC has many expenses and until the deals finalise, will have no income. We pay for banks and lawyers' fees to process financing, travel expenses and we have heavy focus on these deals. We are looking forward to be funded by the \$30,000 for April and May which would have been our compensation for helping IPL. IPL receives \$4,500/month in your commission and if the ECL/Kowhai deals are made in May even if their commencement date maybe July-September we can start the 2.5% net commission immediately. IPL needs to have an incentive to complete these negotiations. IPL was generously supported so far.

I therefore suggest, in the spirit of the good working relationship we have, that MFSC will receive \$20,000 monthly and IPL \$10,000 of each of these 2 x \$30,000

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payments. Please bear in mind that Economou wants to pay absolutely nothing for these 2 payments (he has a copy of the IPL and Keymax settlement agreements, but he has not seen the Options agreement). Most likely he will end up charging my account for any of these payments and I still have open accounts with him, so he can simply collect from my account.

10. Japanese-German Management JVC . I will keep you posted.

Tony, it is a lot of work but if we organize it properly we can finish it quite quickly.

Best regards
Babis

Tony Fordyce

From: "mfsc" <mfsc@aias.gr>
To: <t_fordyce@imk.co.jp>
Sent: Tuesday, April 23, 2002 9:50 AM
Subject: IPL commissions

Tony/Babis

I will address only this thorny issue that dragged back substantially our progress and reminds the pre-Keymax period.

Facts: 1. There is no obligation or agreement by us to make any payments to IPL or Forward anymore.

2. IPL agreed to cause NISSUI, ECL and Daiichi to write direct charters with registered owners as per summary prepared by TF on April 5th and was given authority to conclude them with some small changes by myself on April 10th.

3. IPL asked inexchange of them producing such charters as brokers to receive a 2.5% commission on such new charters of Kowhai, Leo, Reyna, Ellie and Daisy and \$60,000 in cash out of which IPL will cover TF compensation in a manner satisfactory to TF.

Our final response: Despite the fact that we find such request unreasonable and excessive based on market practices in the spirit of finishing FOR A FINAL TIME any financial dealings on old business we agree to IPL's request but structured as follows:

Provided that the Nissui and ECL charters are agreed and signed somewhere between the April 5th and April 10th memos.

1. In May and June IPL will receive from the cash flow of the 3 OT vessels \$30,000 each month and will pay to

Pegasus Shipholdings \$15,000 each month netting it \$15,000 per month in total. No payments anymore to Forward.

2. In July and August IPL will receive \$20,000 each month and will pay to Pegasus \$5,000 each month.

3. From July the Kowhai commission will start being paid as 3% commission with 0.5% paid to Pegasus.

4. From September the Reyna and Leo commissions will start being paid similarly 2.5% and 0.5% respectively.

5. As soon as the financing of the Daisy and Ellie are agreed either as BBHP or full refinance with Western banks

the agreement with daiichi will be reached and similar commission of 2.5 + 0.5% will start being paid from date of new charter.

6. All other vessels in the options agreement will have no commission to IPL.

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7. Starting July Keymax will accept repayment of its outstandings

with equal payments over 60 months but becoming due upon termination of any vessel management agreement on a prorata basis.

I trust the above is satisfactory since we gave to IPL all it asked for ,and IPL can now proceed immediately with the ECL and Nissui discussions. Hopefully all will be finalised before Golden Week.

Tony Fordyce

From: "MFSC" <mfsc@alas.gr>
To: "Tony Fordyce" <t_fordyce@lmk.co.jp>
Sent: Tuesday, April 30, 2002 5:16 PM
Subject: RE: Commissions

Tony/Babis

I can agree to the following schedule in order to accommodate IPL.
Please notice that any payment is subject to signing the ECL and TRC
charters and the Keymax payments stretching agreement. Any news from
ECL/TRC?

May \$30,000 all to IPL
June \$30,000 IPL \$10,000 B ~~2000000~~
July \$20,000 IPL \$10,000 B ~~2000000~~
August \$15,000 IPL \$10,000 B ~~2000000~~

I trust the above concludes the commissions' issue.

Best

Babis

-----Original Message-----

From: Tony Fordyce [mailto:t_fordyce@lmk.co.jp]
Sent: Tuesday, April 30, 2002 7:45 AM
To: Babis Ziogas; mfs2000@mail.com
Subject: Re: Commissions

Babis/Tony

IPL have tried to stretch their cash-flow situation as far as possible,
but
they will definitely need US\$30,000 in May. For the subsequent months,
they
can live with US\$10,000 each month (June/July/August).

I am still waiting for Keymax's confirmation that they can agree with
stretching the payments over 60 months (Kayahara-san is on holiday until
Thursday). In view of the IPL situation, do you want to amend your
proposal
so that the payments start in June?

Otherwise, I have couriered you today a package with reports, photos,
survey
statutes etc for Kowhai, Ocean Leo and Ocean Reyna.

Regards

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7/3/2007

Pegasus \$20,000

Pegasus \$10,000

Pegasus \$5,000

Tony Fordyce

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 To: <t_fordyce@imk.co.jp>
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Tony/Babis

~~Had a long meeting with Economou, Reyna, Leo, and Kowhai.~~

1. I don't think that they want any rate reductions from the current rates of the Reyna and the Leo. The advantages of the direct charter are not there vs the reduced rates. I guess this is good for you and me since by continuing having control on the income we collect our commissions and Keymax its outstandings. For you especially since you will continue receiving the \$3,800 monthly commission.
2. They accepted the commission structure including the MFSC comm of 0.5% from June (see adjustment below) and your commission.
3. They accepted the agreed Keymax payments and repayment schedule.
4. If Economou requests for a written agreement reflecting the above I promised I will work to produce one within 30 days.
5. ~~They also agreed to reduce the insured values of Economou's vessels.~~ If you guys are happy with these arrangements I personally prefer to use my investors money for new business (new business for you all as well) which are generally better than refinancing Economou and Allfirst. Of course if Economou is realistic seller with the Allfirst finance I can do this deal as well but for now he says that he is not selling for the offered price.
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7/3/2007

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Best regards

105

7/3/2007

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From my side I remain shareholder of 50% so I can veto any unreasonable actions of Economou and as a broker as well.

Tony Fordyce

From: "mfsc" <mfsc@alas.gr>
 To: <t_fordyce@imk.co.jp>
 Sent: Saturday, 13 April 2002 7:02 AM
 Subject: Various outstandings

Tony/Babis

Please explain the following matters to Iwai-san and Saburo and get their serious consideration since we need to move ahead quickly.

1. Charter-parties Commission

We need to resolve and have a fair and transparent solution to this issue that can otherwise become difficult.

I understand that we need to provide income for Iwai-san and Noguchi-san but similarly we need to do the same for you, Tony, and myself. I understand that Iwai-san has said that he will reach an agreement with you later, but it is extremely important to me that this is sorted out now, from the hire paid on our ships. I need to be sure that you will be paid adequately and will remain with the company. A very important part of the background is that you have been an essential part in putting all these agreements and structures into existence. Otherwise it would have cost Keymax a great deal of money and a lot of confusion to us. We are now trying to do long term deals controlled by us but with different investors. Therefore we need to have a clean, reasonable commission structure. Now it is Keymax, not IPL, who have the obligation to us to collect hires. Also it is dangerous for IPL to collect commissions in their own name. At any time action by other creditors (Andhika Lines, Allfirst Bank or others) could cause IPL's bank accounts to be stopped or assets arrested. It is best to keep only a very limited amount of money in IPL's name.

I suggest therefore to set up a company called, for example, IMK Shipbrokers & Agents Ltd of Marshall Islands, to be the broker in the 3 Ocean Trade vessels and the 6 MFSC option vessels.

This company will be owned 40% by MFSC, 40% by Keymax/IPL and 20% by Forward. All commissions will be divided as they are received. We can agree to have a 2.5% time-charter income commission on all vessels. Having more than 2.5% commission is not normal and may cause questions to be asked by financiers. Also it will cause a big burden on the cash flow of the vessels. The total income is expected to be $0.025 \times 47,500 \times 360 = \$427,500$, divided \$171,000 to IPL (or IPL/Keymax?), \$171,000 to MFSC and \$85,500 to Forward.

This is more than enough for everyone and should be agreed promptly so that we can start closing these deals. Of course, Keymax/IPL can do other business that we are not part of using another company. But having a truly offshore company we can do many interesting deals in Greece and Cyprus.

2. Kowhai

Let's fix this charter next week for 46c for first year and 46-52c min/max for the second year. Of course the charter must be in the name of the registered owner.

3. Southern Odyssey

What is the best price you can get this ship for delivery in June/July? Can Keymax do \$3,375 flat for 3 years with profits above this split 50/50% with this profit going to MFSC? Opex (including dd) \$2,100 is fine, but is it guaranteed for 3 years?

4.Ocean Sampaguita

I will tell Bruce Maronpot to talk to you about chartering (including Vista) and you can ask him about his brokering channels and commission structure. I do not want to interfere with Keymax's chartering so it is better to be centralised. If we can do \$3,375 flat for 2 years with 50/50% profit split above with our profit going to MFSC.

What are the opex for this vessel including drydockings - guaranteed and not guaranteed?

5.ECL/DAIICHI

Please do your best to expedite.

6.Now, we also have to talk to KEYMAX, to propose that, starting in July, we need to take the balance of the outstandings and spread it over 5 years which is the average period of the remaining charters. There is not enough cash flow with the charter reductions and the commissions to keep the original schedule.

7.Hamlet/Ophelia (Fairmont)

Let's try to get things going by giving them an indication on behalf of EW Maritime Investments, an affiliate of Ionian Transport, \$3m less 2% here and 2% to IMK Shipbrokers (our first new project) and 3 years bb back for \$1950/d less 2.5% to IMK shipbrokers and get their close counter.

8. 4 New Keymax vessels.

Awaiting opex (including dd) figures and translation of loan agreements. We need class records and pictures of recent surveys. If you have survey text by your superintendent please send as well. The deal will be structured as a bareboat charter party which will have as non-refundable deposit \$500,000/vessel (increased by MFSC in part) and bareboat charter payments equal to loan agreement. At the end will be an obligation equal to the balloon, secured with the same securities as the current loan provides. In addition we will have some form of corporate structure holding company which can also guarantee. The key thing is to do the deal without giving anything more to the banks than they have currently or ask their permission which I am sure will not be required by the loan agreements.

In 3-4 years time we will refinance these vessels and unwind the bbhp structure. If the above is OK from Keymax's side we can close these deals within 3 months.

You are right. Clipper or Tschudi & Eitzen can pay \$6,750 daily for these vessels - much more than NYK, but you should do the negotiations. SSY are pretty good with such Charterers.

Please note that I approached only my direct investors without naming the vessels.

9.Awaiting disbursement accounts

10.URGENT.

I need for Ionian and ABNAMRO Bank pictures and a recent survey report for O.Reyna, O.Leo and Kowhai. I also need latest class records. All of this ASAP.

Enjoy the weekend. I will be out of Athens at Meteora until Monday afternoon for my father's memorial service.

Best regards
Babis

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Tony Fordyce

From: "mfsc" <mfsc@aias.gr>
 To: <t_fordyce@imk.co.jp>
 Sent: Tuesday, 16 April 2002 8:55 PM
 Subject: To do list

Tony/Babis

As per our telephone conversation today we need to accelerate our pace and start concluding a few things. I will try to put them in an order of priority.

0. Awaiting for the DHL package with the class records and recent surveys with pictures for the OT 3 vessels.

1. Kowhai charter: As per our last conclude the 2 years charter.

2. ECL charters : Conclude the change of ownership as close as possible to our proposal (small improvement from IPL's proposal). Please commence immediately negotiations without any further loss of time. We need to complete same asap.

3. Commissions: I have proposed to have a 2.5% commission on 9 vessels of which MFSC receives 40% ie net to Keymax/IPL/Forward 1.5% or \$256,500/year or \$712/d more than the \$450/d requested by IPL. Of course it is up to you and IPL/Keymax to structure such payments. It makes no sense to have it gone to IPL because of the various claims outstanding against it. MFSC also would like to receive its commission from Keymax only. So the only solution is to give the commission to Keymax and Keymax to make payments to IPL, MFSC and Forward.

If you have a separate agreement with SSY you can structure your salary/fee the way is better for you. I want to help you to secure your position and not to pay an excessive amount per vessel.

4. Daiichi/Daisy. We can wait 1-2 months on that for us to arrange financing. What is the opex for 2002-2003?

5. O. Sampaguita. I agree with your comments. It is better for us to deal with Keymax for this vessel and let Keymax to do anything they want to do. Awaiting for costs.

6. S. Odyssey. Costs are ok but purchase option still high. How much it comes down every month? what are the numbers in yen?
 Is any other vessel from the 2 that same owners own at lower book value?

7. O. Ellie and 4 new Keymax vessels. Registered owners, flag, class, charterers and banks will remain same. we only need the opex and translation of the loan agreements which will be attached to bareboat charters. Charter hires will go to lending banks, which will deduct principal installment and interest (which will be the bareboat hire payments), they will send opex to Keymax and balance of all 5 vessels cashflow, if positive, will be paid to us. Even if Hiroaki Cherry is below market for 5-7 months this is ok. I

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04/17/2002

need to do cashflows for all 5 vessels together to see if it is cashpositive and how much. Then I can arrange for the cash required by Keymax for these vessels quickly.

8. Newbuildings. Unfortunately our investors are not interested in newbuildings since they cannot see immediate returns on their money.

Best regards
Babis

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04/17/2002

Tony Fordyce

From: "mfsc" <mfsc@aiaa.gr>
 To: <t_fordyce@imk.co.jp>
 Sent: Tuesday, 23 April 2002 9:50 AM
 Subject: IPL commissions

Tony/Babis

I will mention only this problem which has considerably slowed down our progress and reminds me of the pre-Keymax period.

Facts:

1. There is no obligation or agreement by us to make any payments to IPL or Forward any more.
2. IPL agreed to get NISSUI (TRC), ECL and Daiichi to write direct charters with registered owners as per the terms agreed and prepared by you on April 5th and was given authority to conclude them with some small changes by myself on April 10th.
3. IPL asked in exchange of them producing such charters as brokers to receive a 2.5% commission on such new charters of Kowhai, Leo, Reyna, Ellie and Daisy and \$60,000 in cash out of which IPL will cover TF compensation in a manner satisfactory to TF.

Our final response:

Despite the fact that we find such request unreasonable and excessive based on market practices, in the spirit of finishing FOR A FINAL TIME any financial dealings on old business we agree to IPL's request but structured as follows:

PROVIDED THAT the Nissui and ECL charters are agreed and signed for rates somewhere between the April 5th and April 10th memos (IPL's proposal and my counter-proposal).

1. In May and June IPL will receive from the cash flow of the 3 OT vessels \$30,000 each month and will pay to Pegasus Shipholdings \$15,000 each month, leaving \$15,000 per month for IPL. No payments anymore to Forward (Tony's company).
2. In July and August IPL will receive \$20,000 each month and will pay to Pegasus \$5,000 each month.
3. From July the Kowhai commission will start being paid as 3% commission with 0.5% paid to Pegasus.
4. From September the Reyna and Leo commissions will start being paid with 3% comm (similarly 2.5% and 0.5% respectively).
5. As soon as the financing of the Daisy and Ellie are agreed either as BBHP or full refinance with Western banks the agreement with Daiichi will be reached and similar commission of 2.5 + 0.5% will start being paid from date of new charter.
6. All other vessels in the options agreement will have no commission to IPL.
7. Starting in July Keymax will accept repayment of its outstandings with equal payments over 60 months but becoming due upon termination of any vessel management agreement on a prorata basis.

I trust the above is satisfactory since we are giving to IPL all it asked for, and IPL can now proceed immediately with the ECL and Nissui discussions. Hopefully all will be finalised before Golden Week.

Regards

1 1 1

Tony Fordyce

From: "mfsc" <mfsc@aiaa.gr>
To: <t_fordyce@imk.co.jp>
Sent: Thursday, April 25, 2002 9:24 PM
Subject: Commissions

Tony/Babis

Thanks yours.

We counter propose/clarify as follows:

Provided that a) ECL 2 charter parties and Nissui 1 c/p are agreed,
b)Keymax agrees to amortizing the outstanding debt over 60 months starting
May and
c)TF is in agreement with his payment from IPL:

In addition to the 3% commission to IPL (net 2.5%) , IPL will receive:

in May \$30,000 and pay to Pegasus \$5,000
in June \$30,000 and pay to Pegasus \$10,000
in July \$20,000 and pay Pegasus \$10,000
in August \$10,000 and pay Pegasus \$5,000

No other payments,commissions,expenses will be paid to IPL,Keymax,SSY for
the 3 OT vessels
other than the above described.

I trust this concludes this matter and now we will have speedy execution of
the time-charters.

Tony Fordyce

From: "mfsc" <mfsc@aiaa.gr>
To: <t_fordyce@lrmk.co.jp>
Sent: Friday, 17 May 2002 6:24 PM
Subject: General

Tony/Babis

1. I guess you should try to incentivise your negotiations counterparties. The alternative for ECL is to continue paying the full hire. We are not under time pressure ourselves but they keep paying.

2. For us to take over the O.Daisy we will need to move over to O.Ellie the SMBC 2nd mortgage. I suggest you do this anyways since it is the same cash payments for you, for the bank it is better collateral since they have the first mortgage on O.Ellie and for us we donot have to repay it in cash if we refinance ORIX and buy this vessel.

3. We donot object to substitute O.Daisy for another vessel but I need to finalize the 2 packages asap even if we close over the next 3-6 months. The reason being that I deal with banks and investors who have credit committees and as you appreciate they are not so flexible with changes.

As I advised you I would like to finish by this fall the following 2 packages.

One with Ionian as investor and ABNAMRO as lending bank. This package includes the 3 OT vessels and the O.Sampaguita, S.Odyssey and the O.Daisy (or a substitute for now with the O.Daisy purchased next year for the Orix debt only).

The other package will be based on BBHP with the current Japanese banks remaining in place and will include O.Ellie (with increased debt by the 2nd morgage of O.Daisy), O.Phoenix, O.Harmony, Mermaid Dream and a 5th vessel with better cash flow.

I would like to finish the details of the vessels involved in these packages within next 2 weeks.

4. I have a problem with my ISDN center for last 2 days. You can always send things at my home fax +30 295 29417 if office fax doesnot work.

5. we need to make 2 short addenda in the IPL and Keymax agreements to show to Economou/Ionian for the extra payments to IPL (2X30,000,20,000,15,000), the 3% commission and the reduced Keymax payments. Finally separately an agreement for my part going to Pegasus would be nice as well.

Have a nice weekend

1 1 3

05/20/2002

Tony Fordyce

From: "mfsc" <mfsc@aiaa.gr>
To: <t_fordyce@imk.co.jp>
Sent: Tuesday, June 11, 2002 5:04 PM
Subject: Response to Cardiff

Tony/Babis

The prepared response seems Ok but we should add or send a separate response by IPL that in order that IPL commence negotiations to convert time-charter parties to direct time-charter parties between registered owners and ECL/TRC and become guarantor of such charter parties, a condition requested by time-charterers they required two final payments of \$20,000 in July and \$15,000 in August and a 3% commission of time charter revenue on all 3 vessels starting June 2002.

~~_____~~
~~_____~~

I agree to go ahead with the 3% comm commencing in June for all 3 vessels just make it clear to Cardiff at your response. You may wish to show me your final draft to them today.

Thanks

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7/3/2007

I have advised Economou that such payment/commissions were requested by IPL and that I needed to agree.

Tony Fordyce

From: "mfsc" <mfsc@aia.gr>
To: <t_fordyce@imk.co.jp>
Sent: Thursday, June 20, 2002 6:42 PM
Subject: Various matters on Ocean Trade

Tony/Babis

1. Can you please confirm that Keymax is paying tomorrow the fees of Pegasus for this month of \$4,500 plus the IPL fee of \$20,000 plus the 0.5% commission of \$2,250 (?) for a total of \$26,750
2. Can you prepare a breakdown of all outstandings as of June 30th (after payments of this month) by vessel. After our review it will be sent officially to Cardiff.
3. Can you start discussing unofficially with Naguchi-san and Iwai-san what is the best solution we can reach with ECL? I think we should break it into two parts a) first the past where we settle the yen adjustment against the rate reductions of the current charter party with IPL. As per addenda IPL can expect to receive repayment of hires reductions but to pay yen adjustment. These two debit/credits can offset each other. b) changing to registered owner against a new rate of \$5,200 and no yen adjustment (with stronger yen it may be against them as well and there is the precedent of O.Reryna where it was deleted)

Most important we need to secure the payments of outstandings to Keymax but it maybe some renegotiations on the amounts.

4. As far as roles of each party I am awaiting written private authority from Economou (which confidentially I will share with you) clarifying that he agrees to having IPL broker/guarantor for the agreed payments of 3% comm and \$20,000/15,000 in July/August and appointing me as broker as well for additional 0.5% comm but he wants to be copied on all exchanges for the 3 vessels. He has a list of unrealistic requests trying to do the best deal for him but with clear channel we can make quick progress (start thinking on the lines of 2 & 3 above).
5. I remain 50% shareholder until he can exercise his option to buy me out for \$65,000 until end of July but he is indicating that he will accept my offer (or nearby) and consent to a sale to my company for \$8.2m for the Kowhai and Reyna provided that simultaneously with such closing a direct charter with ECL will start for the O.Leo. This means that hire will go directly to ING and we need to prepare standing instructions to protect Keymax and Economou that agreements will be performed.
6. Can you fax me tomorrow the Kowhai c/p?

Situation starts being cleared and resolved but still there is work to be done.

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7/6/2007

Fw: General

Subject: Fw: General

Date: Wed, 3 Jul 2002 10:16:48 +0900

From: "Tony Fordyce" <t.fordyce@imk.co.jp>

To: "Saburo Iwai" <s_iwai@imk.co.jp>

This is my message to Bobis last night (his reply is below):

1. My situation

After discussing with Saburo, I think we can work out something at least on a temporary basis this end, so that I receive close to US\$6,000 /pm from Keymax/IPL (other than the BB vessels commission).

2. Project B

I have gone over this again with Saburo, and we need clarification again of how you see the deals working. The ownership of the vessels will of course remain with the present owners (there is no way to change that without prejudicing the finance arrangements). At present, the t/c hire is paid directly to those financiers, who deduct the finance costs (and in the case of O.Ellie, also about US\$13,000 per month which goes into the collateral account), and then pay the balance to Keymax. Again, it is going to be impossible to change this arrangement. Can Keymax therefore pay the balance they receive from the financiers to the new Chartering companies and then have the operating expenses paid back to them? Otherwise, how do you see the arrangement working?

To simplify the situation, is this correct?

A. Owners bareboat the vessel to your new company (say 'ABC'), but in fact no hire is paid, since the finance portion of the time-charter hire is deducted at source by the financiers.

B. ABC time-charters the vessel back to Keymax, who either act as Charterers themselves or will charter the vessel on back-to-back terms to, for example in the case of O.Ellie, Daiichi; in fact the only 'hire' paid is the difference between the t/c hire and the finance costs.

C. ABC enters into a management agreement with Keymax and pays management costs to Keymax.

Are you/the investors happy to only have the security of Keymax charters and agreement? There does not seem to be any way to give any other form of security.

3. Profit-sharing for O.Harmony/O.Phoenix

Our original suggestion was much closer to 80/20 than 85/15, but since it seems you are only aiming to give the investors 50%, we should share the balance 50% equally, so the figure will be 75/25.

4. Charter-parties

I am getting these scanned and will send to you soon.

5. Loan Agreement translations

These are under preparation.

6. Insurance

We will have to make some sort of agreement to pro-rata insurance proceeds for total loss etc, in proportion to the amount of bareboat hire paid (for example, in case of a total loss on Day 1 of the charter, Keymax should get all the proceeds in excess of the bank loan; in case of a total loss on the last day, then the bareboat charterers should get the excess proceeds (minus any amount they have to pay at the end of the charter period in order to obtain ownership).

7. Ocean Phoenix/Harmony

We have not yet discussed with NYK, since they are in the progress of separating their bulk chartering department from the rest of the dry cargo section and are very busy. However, we have discussed with some other local charterers, and it seems that the rate for 12 months is going to be around US\$5,200. Since the market is low, there is no real reason to fix longer period now and lock in poor levels. For European charterers the rates are a little higher, but our operating costs will also be higher - by maybe US\$100/150 per day - so there is not a great difference. Keymax will give a bit less, and can do whatever period you prefer. I feel they may be prepared to do around US\$5,000 for, say, 3 years (I don't have an exact figure from Saburo yet).

8. Operating expenses for 2001/insurance policies etc.

Saburo is arranging these and we will send soon.

9. Figures

Can you please let me know the figures for each vessel for Project B and the Commission Agreement (the actual figures for the deal as being sold to the investors and the actual deal).

10. Ocean Trade vessels

Statements of Account and Management cost breakdowns are being couriered to you today

++++

Bobis' reply

Subject: General

Tony/Bobis

1. Fordyce/IPL situation

It seems we are reaching a conclusion. However please comment on the following questions:

- a) IPL is receiving 2.5% on Kowhai, Reyma, Leo only
- b) Keymax is receiving 1 1/4% on Sappaguita, Odyssey, Ellie, Daisy, Harmony, Phoenix, Mermaid, Century
- c) Pegasus is receiving 1% on the first 3 and 1 1/4% on the next 8 vessels.

All commissions are paid by charterers to Keymax, they are listed in the charter parties as Keymax commissions. As you notice there will be no commission for Forward in the c/p's.

Until c/p's are signed, we will continue with status quo of 3% to IPL/Pegasus and 1 1/4% on bb for Forward. This is going to stop say around September when new c/p's come to effect but then we will start the permanent arrangement with 2 x \$6,000 paid to you from MFSC & Pegasus. YC (hA) Is this your understanding? Is IPL ok with this scenario? Of course we can review situation in 12 months.

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What do you think are you going to do with SSY?

2. Project B

Basically you are correct in your description of the project structure and this is my understanding and my investor's understanding and certain fine tuning. Registered owners will remain the same, bank accounts with hires will remain and in general finance and time-charters with end users will not be disturbed. However securities will be given by Keymax and shareholders of record for vessels to us /bareboat charterers that agreements will be performed, same as we will give. For example, you are correct that no time-charter income will be changing hands, just the net difference after the financial cost but the accounts will be jointly controlled ie will add say myself as a signatory in the accounts to comfort the investors that no arbitrary payments will be made. Also if we have back-to back time-charters between Keymax and Delichi/NYK, Keymax will give us secondary assignments after the bank debt which obviously is first. The beauty of the project B is that it is only necessary to do agreements between Keymax and EWM. My investor is fully aware of this point. Of course he wants to make sure that opex/drydocking costs are kept to minimum and best time charter income is secured. On these issues we will work together but we need to keep decision making on an arms-length basis. I will draft these points in the master agreement but we are in agreement for the principal of the structure.

3& 7. Profit sharing for Harmony/Phoenix

I agree but is this above a basis guaranteed rate of \$5,200/d or \$5,150 for 3 years as discussed? Also can we apply the same principle for the sampaguita and S. Odyssey to profit split 75/25 Investors & MFSC/Keymax?

4 & 5 Awaiting

8. Insurance

We can discuss a profit sharing formula in case of total loss. Lets start with you giving us the insured value and premiums. Investor needs to recover something in day one as well. But this is easy if we add some increased Value insurance and we can do a schedule attached in the bbbp contract.

8. Awaiting

9. Figures

I addressed the commissions issue under 1 above and we have agreed the net to Keymax for the upfront payments. The exact figures with investors per vessel are not agreed but we have agreed a total figure. So in the master agreement you put for now \$500,000 per vessel and \$200,000 security deposit and in the Pegasus confidential agreement the difference between that number and what it was agreed with Keymax so far. Please proceed with drafts expeditiously even if you feel are incomplete and I will revert immediately with proper drafting since otherwise I have to give you the drafting now. We can then clear them with Saburo before I give them to the investor.

10. I made arrangement with courier service for them to call me first. So it should be no problem now.

11. O.Sampaguita. What is the balance to Orix on September 30th? What is the best time charter structure with Keymax?

12. S.Odyssey. Same questions as for O.Sampaguita

Best regards

Fw: Ocean Trade

Subject: Fw: Ocean Trade
 Date: Thu, 25 Jul 2002 09:35:50 +0900
 From: "Tony Fordyce" <t_fordyce@imk.co.jp>
 To: "Saburo Iwai" <s_iwai@imk.co.jp>

Saburo

Following received from Babis:

----- Original Message -----
 From: "mfsc" <mfsc@aiaa.gr>
 To: <t_fordyce@imk.co.jp>
 Sent: Thursday, July 25, 2002 9:23 AM
 Subject: Ocean Trade

Tony/Babis

Following our telephone conversation today I would like to inform you Iwai-san and Saburo that Economou has bought my 50% interest in Ocean Trade, the owner of Kowhai, Reyna and Leo, pursuant to an option he had until end of July as I had previously advised you.

My assessment of the situation is as follows:

1. There was no value to the equity of Ocean Trade and the 3 vessels will face substantial losses if redelivered from current charters. The best offer that I made for all 3 vessels, and thereafter for Kowhai and Ocean Reyna only were an excellent deal for Economou who chose not to take them. This development will have no effect on our working relationship. With my work over the last 3 years, I have put IPL and Keymax in a position where their operating losses will be minimized without unnecessary litigation while I will continue assisting IPL/Keymax on the lines agreed or even improving the deal for Keymax's collection of outstandings. For example: deduct Leo docking cost over 2-3 monthly payments and go back to \$45,000/month repayment of old outstandings. There is an efficient way of doing this and I will assist you all the way since I have the same interest as you to collect my fees from these vessels as you do.
2. I have now more buying power to finance the acquisition of O Sompaguita, Sharrow Bay, Aldebaran and the chip carrier with the ABNAMRO loan facility which is still in place. Collectively this outcome increases the volume of business for Keymax as well.
3. Economou has no written agreement of any sort and, while I do not suggest drastic changes from the current operation, he has no choice than to respect the 3.5% commission to IPL, the 1 1/4% on BB to Forward and the deduction of the outstandings to Keymax. You can continue to copy me blindly your exchanges with him and I will help you with responses. In the unlikely event that he will become aggressive we can claim that a number of issues have been discussed with me and settled with his knowledge and authority over the last 2 years. He needs to collect the maximum hire from charterers over the next 3 years so that he reduces his book value and sells these vessels. It will be a 2-3 years phase out.
4. MFSC/Pegasus relationship with Keymax/IPL is 4-fold: The Ocean Trade vessels (assisting Keymax/IPL to manage Economou) as per current arrangements, the Ionian/ABNAMRO package of 4 vessels: Sompaguita, Sharrow Bay, the chip carrier and Aldebaran, the EWMI/bbhp package of 6 vessels and my marketing of the Keymax services to the West. All these deals are well developed and documented and there are no obstacles I can see to stop their closing within September. Of course I would appreciate your assistance to keep the details of my involvement and compensation very private and confidential from the investors (especially with each other). It is important to

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Fr: Ocean Trade

- 1. emphasize that the privacy and confidentiality of these deals is a precondition to complete this large volume of business. Legally there is absolutely no problem, but I do not want to confuse the 2 separate groups of investors.

Best regards

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From: "mfsc" <mfsc@alas.gr>
To: "Tony Fordyce" <t_fordyce@imk.ca.jp>
Sent: Wednesday, July 31, 2002 4:29 AM
Subject: RE: Cardiff situation

Tony/Babis

war said should not be concerned about economic risk, exactly how they are thinking will be assured you that the essence of the agreement will be kept for them that they will come to you in the near future (ask you about the agreement and they will agree to the time chartering agreement about as you request and sign an agreement on your own) to consider with us if it is not the time that all vessels will remain in the market and use to the current time charters income, maybe in a few months. You can at the time that they will ask you, in a few days I expect, why IPL is charging 3.5% commission, \$20,000 in July and \$15,000 in August and Forward the 1.25% commission to tell them that this is the minimum to have IPL surviving to keep the above market charters. You can then suggest to them to sign an agreement saying IPL will not charge more and will have Keymax continue managing the vessels and the time charters provided they deduct their budgeted opex and the outstandings divided equally over 24 monthly payments (say) since charters may expire or terminated shorter than you think. On this basis you can produce a letter from Keymax to IPL stating that they will not arrest vessels. If such settlement is reached.

In summary, IPL can have a signed agreement with Cardiff better than the current agreements, incorporating points from both the current IPL and Keymax agreements without bringing Keymax into a direct relationship with Cardiff.

~~When I signed the charterparty on a commercial basis, it was stated by myself (AES-NC) dated June 8th, 2002 that as per my signature, I was still a shareholder authorizing you to sign the Kowhai Charterparty and stating that you were authorized to collect the hire via Keymax's management and deduct from the proceeds all taxes, duties, bunkings and extras as settled between Keymax and DLR. When Economou asks about this charterparty you can send it to them signed by Iwai-san and my authority letter. You can even show the authority letter to TRC if you need. For the other 2 vessels you don't need to worry since you control the cash flow. I believe Keymax should accelerate their collections starting this month with the target to have all outstanding collected within the next 2 years.~~

Of course it is good to have a paper signed between IPL and Economou on the above lines but you should have him to ask for it and not you.

Call me to discuss the above if this is not clear.

-----Original Message-----

From: Tony Fordyce [mailto:t_fordyce@lmk.co.jp]
Sent: Monday, July 29, 2002 4:21 AM
To: Babis Ziogas
Subject: Cardiff situation

Babis/Tony

Iwai-san (of IPL) is very worried about the Economou situation. In particular, he wants to know if the agreement we signed with you will be maintained by Economou. If not, how does he know what will happen in the future. This seems to be very important in the continuing survival of IPL. If Economou is going to be difficult, then IPL's existence will definitely be threatened.

He is also very concerned about the signing of the Kowhai C/P, which we are being pressed to sign every day. How should this be handled? As you know, the Charterers want IPL to sign this on behalf of the actual Owners.

Regards

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7/3/2007

Iwai-san should not be concerned about Economou. I know exactly how they are thinking and I can assure you that the essence of the agreement will be kept. It is them that they will come to you in the near future to ask you about a signed agreement with IPL and Keymax but I suggest that you negotiate and sign an agreement only with IPL. Economou will be difficult only at the time that all vessels will earn in the market close to the current timecharters income, maybe in 2-3 years time.

As mentioned earlier, you can prepare an authority letter from OT to be signed by myself (MFSHC) dated June 3rd, 2002 (lets prepare it together) when I was still a shareholder, authorizing you to sign the Kowhai charterparty and stating that you can continue to collect the hire via Keymax's management and deduct opex commission and outstanding drydockings and opex's as settled between Keymax and IPL.

Fw: Cardiff

Subject: Fw: Cardiff
 Date: Wed, 7 Aug 2002 13:28:00 +0900
 From: "Tony Fordyce" <t_fordyce@imk.co.jp>
 To: "Saburo Iwai" <s_iwai@imk.co.jp>

Following from Babis

Subject: RE: Cardiff

Tony/Babis

Please explain the following to Iwai-san and Saburo.

1. I believe that we need to think carefully about the entire situation with Cardiff before you reply to them. Anyway you need to prepare cashflows as I understand that Ioannidis has requested: this takes time so you can reply next week. Let me comment on them when you prepare them.

2. I have known Economou for 20 years and Ioannidis for 7. I know the exact financial and strategic condition of Cardiff, which by the way is very weak. My family trust invested in Ocean Trade in total \$750,000 and they got back only \$125,000. I believe I got also a good relationship with you and the Iwai family and I believe we will make back these losses with new deals. However it is important for me to collect what we have agreed with IPL/Keymax and I will continue to assist IPL/Keymax with this difficult person. I was a shareholder of OT until July 27th, 2002 and I can state in writing even in front of courts that we operated for 7 months in a certain manner that the other shareholder has approved. If you notice in their letters, Cardiff still wants to maintain the arrangement reached but with improvements! You just do not need to give them any improvements!

3. There will be a number of exchanges and threatening letters but the essence is that there will be no action until the ECL charters are finished. By that time Keymax will have recovered its outstandings and IPL/Forward/Pegasus certain commissions. After that Cardiff may sue IPL but it is unlikely. Cardiff gave all files in 2 instances to P&I club and they declined to take action. They know that there is a judgement against you by Allfirst which has not been executed, so why should Cardiff spend any money?

For now they talk about commissions because they do not see about the forthcoming deductions for yen adjustment, dd, chain etc. I believe a good approach is to put everything forward in your pro forma forecast in an accelerated form, say outstandings repayment at \$45,000/mo, dd over 6 months and then give them back some more time.

4. Keymax is not a party of the relationship with Cardiff and my strong recommendation is under all circumstances to keep them apart as far as possible, even by, for example, having Saburo to respond to them for the letters that are copied to him and say that he does not understand why they are addressed to him when Keymax is managing vessels for IPL only. You can explain to Ioannidis that it would be a disaster with charterers if they find out about IPL's removal since IPL still collects above market charters because it is still in the C/P. Of course Pegasus keeps the management agreements with Ocean Trade only in their hands. It should be thus no problem for Keymax to continue paying the \$4,500/mo as long as they manage these vessels as per signed agreement. This agreement is P&C and it is no-one's business to know about it.

5. As far as IPL is concerned, you need to be firm and do not start giving back anything. Pegasus reached an agreement with IPL how to settle the last \$60,000 paid to IPL in May, June and \$35,000 until August with the last payment this month and a 3% till commission. Pegasus does not wish to change this arrangement.

From some time ago I told Ioannidis and Economou that I will ask from IPL an extra 0.5% for me which IPL may consider to pay bringing the total comm to 3.5% (after Economou had already agreed to the 3%). We should evaluate the situation month by month, but I strongly recommend to not give anything back since this will only create a bad precedent. Pegasus had offered to pay you (Tony) the extra 0.5% above 3% starting August (close to \$2,000 agreed with you) and this fits perfectly what I have told Ioannidis. You can tell him that you receive 0.5% from the 3.5% comm to liaise with Keymax while IPL receives the balance. You can state to him that IPL and Babis Ziogas (MFSC) are working as brokers on a number of deals as you are working with Kaklamanos as well, which are private and confidential as the Cardiff deals are, and you expect to pay commissions to BZ for such deals unrelated to their 3 vessels. This statement is factually correct.

6. For August, Pegasus expects to receive \$4,500 from Keymax, \$5,000 from IPL (last payment of 3) and 1% in total in commissions for an amount of \$4,535 a grand total of \$14,035 of which you (Tony) should receive \$2,000 as agreed and the balance of \$12,035 should be paid to Pegasus on the 21st of August.

We have a number of great deals together already developed and close to fruition, based on mutual trust and assistance and we should not have the small obstacles to make you ask from me to give up earned fees when we suffered greatly but we continue supporting and honoring all our agreements.

Best regards
 Babis

-----Original Message-----
 From: Tony Fordyce [mailto:t_fordyce@imk.co.jp]
 Sent: Tuesday, August 06, 2002 11:51 AM
 To: Babis Ziogas
 Subject: Cardiff

Babis/Tony

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Since sending you my mail I received a call from Ioannidis. He has asked us to prepare a cash-flow projection for income/expenditure for the 3 bb vessels. This will of course take into account docking costs, repayment of the currency adjustment for Ocean Leo (although of course they are not going to be happy about this), other payments to Keymax and IPL/Forward commissions.

They are definitely going to take a very strong position regarding commission payments, and I think we have no option but to reduce the commission to IPL's 2.5 pct and Forward's 8B commission.

I stressed on the phone that agreements we have made with you are entirely valid as far as we are concerned; we were dealing

Fw: Cardiff

with you as Ocean Trade since the beginning of these charters and Cardiff cannot suddenly say - with retrospective effect - that any agreements we made with you are not valid.

Anyway, he has suggested that we take our time before replying, so we will do so!

Regards

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SHIP OVERVIEW

Ship Name	OCEAN DAISY	Shiptype	Bulk Carrier
Year of Build	1994	LR/IMO Ship No.	9110236
Gross Tonnage	8,417	Deadweight	14,379
MMSI No.	538002513	Call Sign	V7JG4
Status	In Service/Commission	Flag	Marshall Islands
Last Updated	2007-05-24	Data validated	

OWNERSHIP

Group Owner	Maritime Financial Services	Location	Greece
Shipmanager	MFS Shipmanagement Corp	Location	Greece
Operator	MFS Shipmanagement Corp	Location	Greece
DOC Company	MFS Shipmanagement Corp	Location	
		IMO Company No (DOC)	5197003
Registered Owner	Daisy Shpg Ltd	Location	Marshall Islands
		IMO Registered Owner No	5215120

COMMERCIAL HISTORY

Date	Name	Flag	Group Owner	Operator	Manager	Registered Owner	DOC
2007-01							MFS Shipmanagement Corp (Greece)
2006-07			Maritime Financial Services				
2006-03				MFS Shipmanagement Corp	MFS Shipmanagement Corp		
2005-12		Marshall Islands				Daisy Shpg Ltd	
2002-07							MK Shipmanagement Co Ltd (Japan)
2000-06			Keymax Maritime Co Ltd				
2000-01				MK Shipmanagement Co Ltd	MK Shipmanagement Co Ltd		
1994-09		Cyprus		Kikuyo Maritime	Kikuyo Maritime	Pacifictrall Shipping	
1994-00	OCEAN DAISY	Panama	Inter Pacific Lines			Ocean Yuri Shipping	
Originally OCEAN DAISY							

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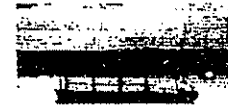
Sea-web: Ship Overview

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Refine Builder Search

SHIP OVERVIEW

Ship Name	OCEAN HARMONY	Shiptype	Bulk Carrier
Year of Build	1996	LR/IMO Ship No.	9135482
Gross Tonnage	14,754	Deadweight	23,524
MMSI No.	538002514	Call Sign	V7JG5
Status	In Service/Commission	Flag	Marshall Islands
Last Updated	2007-05-24	Data validated	2007-04-17

**OWNERSHIP**

Group Owner	Maritime Financial Services	Location	Greece
Shipmanager	MFS Shipmanagement Corp	Location	Greece
Operator	MFS Shipmanagement Corp	Location	Greece
DOC Company	MFS Shipmanagement Corp	Location	Greece
Registered Owner	Harmony Shipping-Marshall Is	Location	Marshall Islands
		IMO Company No (DOC)	5197003
		IMO Registered Owner No	5202676

COMMERCIAL HISTORY

Date	Name	Flag	Group Owner	Operator	Manager	Registered Owner	DOC
2006-07			Maritime Financial Services				
2006-06							MFS Shipmanagement Corp (Greece)
2006-02				MFS Shipmanagement Corp	MFS Shipmanagement Corp		
2005-12		Marshall Islands				Harmony Shipping-Marshall Is	
2002-04							MK Shipmanagement Co Ltd (Japan)
1999-09				MK Shipmanagement Co Ltd	MK Shipmanagement Co Ltd		
1996-10	OCEAN HARMONY	Panama	Inter Pacific Lines			Ocean Harmony Shipholding	
1996-00				Kikuyo Maritime	Kikuyo Maritime		
Originally OCEAN HARMONY							127

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SHIP OVERVIEW

Ship Name	OCEAN PHOENIX	Shiptype	Bulk Carrier
Year of Build	1995	LR/IMO Ship No.	9111591
Gross Tonnage	15,737	Deadweight	24,318
MMSI No.	538002540	Call Sign	V7JL2
Status	In Service/Commission	Flag	Marshall Islands
Last Updated	2007-05-24	Data validated	

OWNERSHIP

Group Owner	Maritime Financial Services	Location	Greece	
Shipmanager	MFS Shipmanagement Corp	Location	Greece	
Operator	MFS Shipmanagement Corp	Location	Greece	
DOC Company	MFS Shipmanagement Corp	Location	Greece	IMO Company No (DOC) 5197003
Registered Owner	Ocean Phoenix Shpg Ltd	Location	Marshall Islands	IMO Registered Owner No 5188359

COMMERCIAL HISTORY

Date	Name	Flag	Group Owner	Operator	Manager	Registered Owner	DOC
2006-09							MFS Shipmanagement Corp (Greece)
2006-07			Maritime Financial Services				
2006-03				MFS Shipmanagement Corp	MFS Shipmanagement Corp		
2005-12		Marshall Islands					
2005-08						Ocean Phoenix Shpg Ltd	
2002-10							MK Shipmanagement Co Ltd (Japan)
2000-06			Keymax Maritime Co Ltd				
2000-01				MK Shipmanagement Co Ltd	MK Shipmanagement Co Ltd		
1995-09			Inter Pacific Lines	Kikuyo Maritime	Kikuyo Maritime	Ocean Phoenix Navigation	

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1995-01 Panama

1995-00 OCEAN
PHOENIX

Originally OCEAN PHOENIX

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SHIP OVERVIEW

Ship Name	PORTO VITILO	Shiptype	Bulk Carrier
Year of Build	1996	LR/IMO Ship No.	9118238
Gross Tonnage	10,421	Deadweight	17,386
MMSI No.	538002505	Call Sign	V7JE6
Status	In Service/Commission	Flag	Marshall Islands
Last Updated	2007-07-10	Data validated	

OWNERSHIP

Group Owner	Unknown	Location	
Shipmanager	Rptd Sold Undisclosed Interest	Location	
Operator	Rptd Sold Undisclosed Interest	Location	
DOC Company	Unknown	Location	IMO Company No (DOC)
Registered Owner	Rptd Sold Undisclosed Interest	Location	IMO Registered Owner No

COMMERCIAL HISTORY

Date	Name	Flag	Group Owner	Operator	Manager	Registered Owner	DOC
2007-07	PORTO VITILO		Unknown	Rptd Sold Undisclosed Interest	Rptd Sold Undisclosed Interest	Rptd Sold Undisclosed Interest	
2007-04							
2007-01							MFS Shipmanagement Corp (Greece)
2005-12		Marshall Islands					
2005-11			Maritime Financial Services	MFS Shipmanagement Corp	MFS Shipmanagement Corp	Ellie Shpg Ltd	
2002-05							MK Shipmanagement Co Ltd (Japan)
1998-02			Unknown				
1996-08	Ocean Ellie		Inter Pacific Lines	MK Shipmanagement Co Ltd	MK Shipmanagement Co Ltd	Ocean Ellie Shipholding	
1996-05		Cyprus					
1996-00	Eos IV		Far East Shipping			Nang Pao Maritime	
Originally Eos IV							

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